

Protection of IP

Germany

I. TRADE MARKS**I.1 INTRODUCTION**

The German legal system makes a clear distinction between technical and non-technical intellectual property rights. Patents and utility models are in general considered to be the technical rights. The principal non-technical rights are trade marks, design rights and copyright.

I.2 REGISTERED TRADE MARKS

Trade marks are classified as non-technical protection rights. This area has been laid out in the “Gesetz über den Schutz von Marken und sonstigen Kennzeichen” (“Act for the Protection of Trademarks and other Signs”, or “German Trademark Act”). However, although it is a German national act it originates from the European Directive to approximate the Laws of the Member States Relating to Trade Marks (89/104/EEC). Thus, the legislative framework for trade marks is harmonised in Europe. A trade mark is a right prohibiting use of a certain sign by third parties.

According to the German Trademark Act, trade marks are registerable as long as they are not merely descriptive and that they are capable of distinguishing the origin of products/services to which they relate. During the application process, the German Patent and Trademark Office does not check, whether an application is violating prior rights or other relative grounds of refusal. The German Patent and Trademark Office will only consider absolute grounds of refusal.

As a result, a trademark owner should regularly monitor new applications and registrations. In the case of a potential conflict, the owner of the prior right is entitled to challenge the new application after registration by bringing formal opposition proceedings. However, such proceedings must be brought within a three month opposition period.

The protection of a trade mark can last indefinitely, but the registration must be renewed every ten years.

I.3 UNREGISTERED TRADE MARKS

The German Trademark Act provides protection not only for registered trade marks but also for unregistered trade marks and trade names.

2. PATENTS**2.1 INTRODUCTION**

The legislation which deals with German patents is the “Patentgesetz” (“German Patent Act”) 1981.

In accordance with other European regulations, patents may be granted in Germany in respect of an invention which is new, contains an inventive action and is capable of industrial application.

A patent is protected for a term of twenty years from the date of filing and must be renewed every year after the third year from the date of filing. During the term, the owner of a patent has a monopoly right and is able to prevent others from using the invention covered by the patent.

3. COPYRIGHT

The law of copyright is governed by the German “*Gesetz über Urheberrecht und verwandte Schutzrechte*” (“The German Copyright Act”), of 1965, as subsequently amended. Copyright protection is not subject to a formal registration process: it applies automatically to any given work that is a personal and original creation provided that the test of originality (“*Schöpfungshöhe*”) is passed. Works to be protected by copyright may, inter alia, be literary, musical, artistic or cinematographic.

Copyright protection begins from the date on which the work was created and lasts until 70 years after the death of the creator.

The creator has the exclusive right to control all forms of use of his work, including the reproduction, distribution, and performance of the work, and the right to make the work public. Whilst copyright itself is not generally assignable, the creator is entitled to grant licences. The licences may be exclusive or non-exclusive and may in turn be assigned or sub-licensed. Copyright provides the creator with certain personal rights, such as the right to be identified with his work as its creator and the right to prevent derogatory treatment.

German copyright law also recognises so-called “neighbouring rights”. Performing artists, for example, obtain legal rights in relation to their performances. The same applies to record producers, who obtain a neighbouring right in their sound recordings. Furthermore, databases, photos and films are protected by individual neighbouring rights even if they lack originality and would not therefore qualify for copyright protection.

Neighbouring rights and copyright have to be distinguished. In particular, the term of protection for neighbouring rights is usually shorter than for copyright.

4. DESIGN RIGHTS

Unlike under European legislation, a German national design right is subject to a formal registration process. The German design right requires registration. The German “*Geschmacksmustergesetz*” (“German Design Act”), established in 2004, allows protection of designs when they are new and have a specific character. The requirements of novelty and specific character are not examined during the application process. As a result, it is possible to challenge the validity of the design right in infringement proceedings. It is then the duty of the design right proprietor to demonstrate that the respective design does fulfill these requirements.

It is possible to defer the publication of a design. This allows the prospective proprietor to acquire the design right and set an early priority date, without disclosing details of the design until later. This option is often considered in the fashion industry.

5. UTILITY MODELS

Utility models, regulated in the “*Gebrauchsmustergesetz*” (“German Act concerning Utility Models”) are the second type of technical protection rights and are often colloquially referred

to as the “patent’s little brother”. While the requirements are similar to those of a patent, the inventive step required to obtain a utility model is considered to be significantly lower than that necessary to obtain a patent. Furthermore, while the patent requires absolute originality, a utility model can still be filed within a grace period of six months from the date of first publication. However, a utility model only provides protection for a maximum period of ten years.

The most significant difference from the patent is that the application for a utility model is not examined by the German Patent and Trademark office. It is for the prospective owner of the utility model to conduct the necessary research in order to prove and demonstrate that protection should be granted.

6. OTHER TOPICS RELATED TO INTELLECTUAL PROPERTY RIGHTS

6.1 DISTANCE SELLING AND E-COMMERCE

The German provisions on distance selling and e-commerce originate to a significant extent from the European E-Commerce Directive and the European Distance Selling Directive. Both European directives have been implemented, imposing obligations upon entities when engaging in business with consumers and granting consumers certain rights when dealing with businesses online. Consumers must be provided with a certain level of information and must also be given the right to terminate a contract within a certain “cooling off” period, normally two weeks (subject to certain conditions).

The regulations which prescribe the information to be given to consumers and which govern the storing of evidence are supplemental to the rules contained in the German Civil Code. The information requirements are extensive and contain numerous potential traps for unwary businesses. Special care must therefore be taken when engaging in distance selling and e-commerce in Germany.

6.2 DATA PROTECTION

Germany implemented the Data Protection Directive by amending the “*Bundesdatenschutzgesetz*” (“Federal Data Protection Act”). The Federal Data Protection Act regulates the collection, processing and use of personal data and requires, inter alia, that personal data:-

- (i) must not be collected, processed or utilised unless either the individual has unambiguously given its prior written consent or it is allowed under a provision of law;
- (ii) must not be collected, processed or utilised except for specified, explicit and legitimate purposes and not further processed or used in a way incompatible with those purposes; and
- (iii) must be adequate, relevant and not excessive in relation to the purposes for which they are collected and/or further processed and/or used.

The Federal Data Protection Act also sets out specific requirements concerning the handling of “sensitive” personal data, most notably data which reveals racial or ethnic origin, political opinions, religious or philosophical beliefs or data concerning health.

The responsible authorities, the Data Protection Officers of the Federal States of Germany and the Federal Data Protection Office monitor compliance with these laws.

6.3 CONFIDENTIALITY AND KNOW HOW

Disclosure of confidential information and trade secrets without the proprietor's prior consent is prohibited by German law and, moreover, such conduct is subject to criminal prosecution. The law is included in the German "Gesetz gegen den unlauteren Wettbewerb" ("German Unfair Competition Act") and these provisions provide severe remedies where confidential information or trade secrets are disclosed without the proprietor's prior consent. Nevertheless, parties often agree explicit and specific confidentiality agreements that include contractual penalty clauses before entering into business negotiations.

7. PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

IP rights are registered with the German Patent and Trademark Office (*Deutsches Patent und Markenamt*). All applications must be filed with this institution and it is solely responsible for the application and registration process. In addition, formal opposition proceedings must be filed with the German Patent and Trademark office.

Once an application has been granted, it may be enforced before German civil courts. Usually the place of residence of the infringer or the place of the infringement determines the venue.

If any party considers pursuing a violation of its IP rights, it is prudent to send a warning letter to the infringer prior to issuing judicial proceedings. This warning letter should set out the basis of the allegations of infringement and is generally accompanied by a cease and desist declaration in order to provide the possibility of settling the matter extra-judicially.

Should the potential infringer fail to answer the warning letter, the claim would need to be pursued through the courts. Preliminary relief is only available within the first four to six weeks after the receiving notice of the infringement (urgency period). If such relief is sought within this limitation period, the court may grant a decision notice in ex-parte proceedings or will set a date for an oral hearing on short notice to enable the infringer to argue his case. Account will be taken of the fact that, even if an oral hearing is set, a fully enforceable decision will be given within three to six weeks of filing the preliminary injunction.

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